HOUSE BILL No. 1810

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DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5.

Synopsis: Sales tax exemption for instructional materials. Provides that sales of instructional materials are exempt from the state sales tax if: (1) the instructional materials are required for a course at an accredited college or university; and (2) the purchaser is a student enrolled in an accredited college or university or the parent or guardian of a student enrolled in an accredited college or university.

Effective: July 1, 2007.

Pierce, Welch, Turner

January 26, 2007, read first time and referred to Committee on Ways and Means.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~
  Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.
  Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1810

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1   SECTION 1. IC 6-2.5-5-26 IS AMENDED TO READ AS
2   FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 26. (a) Sales of tangible
3   personal property are exempt from the state gross retail tax, if:
4   (1) the seller is an organization that is described in section
5   21(b)(1) of this chapter;
6   (2) the organization makes the sale to make money to carry on a
7   not-for-profit purpose; and
8   (3) the organization does not make those sales during more than
9   thirty (30) days in a calendar year.
10   (b) Sales of tangible personal property are exempt from the state
11   gross retail tax, if:
12   (1) the seller is an organization described in section 21(b)(1) of
13   this chapter;
14   (2) the seller is not operated predominantly for social purposes;
15   (3) the property sold is designed and intended primarily either for
16   the organization's educational, cultural, or religious purposes, or
17   for improvement of the work skills or professional qualifications

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1   of the organization's members; and

2   (4) the property sold is not designed or intended primarily for use

3   in carrying on a private or proprietary business.

4   (c) **Except as provided in section 42 of this chapter,** the

5 exemption provided by this section does not apply to an accredited

6 college or university's sales of **the following:**

7   **(1)** Books.

8   **(2)** Stationery.

9   **(3)** Haberdashery.

10   **(4)** Supplies. ~~or~~

11   **(5)** Other property.

12   SECTION 2. IC 6-2.5-5-42 IS ADDED TO THE INDIANA CODE

13 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

14 1, 2007]: **Sec. 42. (a) As used in this section, "instructional**

15 **materials" means tangible personal property used to promote the**

16 **learning goals of an individual undertaking a structured course of**

17 **study. The term includes the following:**

18   **(1) Textbooks.**

19   **(2) Prewritten computer software.**

20   **(b) Sales of instructional materials are exempt from the state**

21 **gross retail tax if:**

22   **(1) the instructional materials are required for a course at an**

23   **accredited college or university; and**

24   **(2) the purchaser is a student enrolled in an accredited college**

25   **or university or the parent or guardian of a student enrolled**

26   **in an accredited college or university.**

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